

City of Detroit

CITY COUNCIL

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ANNE MARIE LANGAN
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TO: Miriam Blanks-Smart, Director
Department of Administrative Hearings

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 22, 2008

RE: 2008-2009 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2008-2009 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Norman White, Finance Department Director
Pamela Scales, Budget Department Director
Ervin Stewart, Budget Department Team Leader
Kerwin Wimberly, Mayor's Office

Department of Administrative Hearings (45)

FY 2008-2009 Budget Analysis by the Fiscal Analysis Division

Summary

The Department of Administrative Hearings is a General Fund Agency that adjudicates blight violations such as violations of property maintenance, zoning, solid waste, and illegal dumping ordinances. The Mayor's Proposed Budget for 2008-2009 includes appropriations of \$2.2 million, which is an increase of \$8,233 or 0.4% from fiscal year 2007-2008. The Mayor's Proposed Budget of 2008-2009 includes revenues of \$0.9 million, which is a decrease of \$85 from fiscal year 2007-2008. The department's net tax cost recommended for next year is \$1.3 million, \$8,318 more than the budgeted net tax cost for the current year.

2007-2008 Surplus/(Deficit)

The estimated deficit for the Department of Administrative Hearings is \$655,000 for fiscal year 2007-2008. The deficit is composed of a revenue deficit of \$700,000, which is due to lower revenue collections, and an appropriation surplus of \$45,000, due to a reduction in Contractual services.

Overtime

The Mayor's Proposed Budget for fiscal year 2008-2009 does not include any provision for overtime expenses in the department. As of March 31, 2008, the Department did not expend any overtime. The Mayor recommends no overtime for fiscal year 2008-2009.

Personnel and Turnover Savings

There are no projected personnel or turnover savings for this department.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2007-08</u>	<u>Filled Positions 3/31/2008</u>	<u>Mayor's Budget Positions FY 2008-09</u>	<u>Over/(Under) Actual to 07/08 Budget</u>
Department of Administrative Hearings (45):				
11159 Blight Violation Adjudication	<u>6</u>	<u>6</u>	<u>6</u>	<u>0</u>
TOTAL	<u>6</u>	<u>6</u>	<u>6</u>	<u>0</u>

Proposed Layoffs and Position Changes

The Mayor's Proposed Budget for 2008-2009 does not include a reduction in force for this department, nor does it include any layoffs.

Significant Funding by Appropriation

<u>Appro.</u>	<u>Program</u>	
11159	Blight Violation Adjudication	The Mayor's Proposed Budget for 2008-2009 includes \$2,207,840. This reflects an increase of \$8,233 from the 2007-2008 Budget of \$2,199,607.

Department of Administrative Hearings (45)

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2007-08 Budget</u>	<u>FY 2008-09 Recommended</u>	<u>Increase (Decrease)</u>
Blight Violation Adjudication	<u>\$ 1,298,460</u>	<u>\$ 1,298,460</u>	<u>\$ -</u>
Total	<u>\$ 1,298,460</u>	<u>\$ 1,298,460</u>	<u>\$ -</u>

Significant Revenues by Appropriation and Source

<u>Appro.</u>	<u>Program</u>	
11159	Blight Violation Adjudication	This reflects a decrease of \$85 from the 2007-2008 Budget of \$887,067.

Issues and Questions

1. Last year, in the Mayor's Proposed Budget for 2007-2008, he stated that billing and collections of three departments would be consolidated in Finance, resulting in a much better job of collecting what is owed the City. The Department of Administrative Hearings is one of the departments. Has more money been collected, and if so, how much?
2. What percentage has been collected of all the determinations issued by your department where money was due?
3. Percent of orders in delinquency is projected to decrease from 50% to 40%? What does this mean?
4. Through nine months of this fiscal year, your revenues are coming in under budget.
 - Administrative fees are actually \$57,600, compared to a budget of \$677,922 for the entire year. Next year's budget is \$677,922. Will this amount materialize?
 - Personal service is actually \$0, compared to a budget of \$200,000 for the entire year. Next year's budget is \$200,000. Is this amount due to revenue that is to be received from BSED? Will this amount materialize?

5. In 2006-07 and thus far 2007-08, what is the percentage of blight violation decisions rendered by the Department of Administrative Hearings that were appealed by citizens in the Wayne County Circuit Court? How many of these appeals were ruled in favor of the citizens?
6. Is the Department of Administrative Hearings and the Law Department working on any amendments to the blight ordinance? If so, what are the major changes being considered?

/ja/sfs